INTRODUCTION

PURPOSE OF THIS REPORT

The Final Staff Assessment (FSA)/ Environmental Assessment (EA) presents the California Energy Commission and the Western Area Power Administration (Western) staff's independent assessment of Calpine Corporation's Application for Certification of the East Altamont Energy Center. Because the EAEC, if built, would interconnect with Western's high voltage transmission system, the environmental review and analysis has been completed jointly by the Energy Commission (the state lead agency), and Western (the lead federal agency), for this project. To streamline the review process and eliminate overlap and duplication between the state and federal governments, this joint California Environmental Quality Act (CEQA)/National Environmental Policy Act (NEPA) process will be the basis for both the Energy Commission's decision as well as for Western's decisions.

The FSA/EA is a staff document. It is neither a Committee document, nor a draft decision or proposed decision. This document was prepared primarily by Commission staff with input from Western's staff. Western provided more input on certain technical areas where Western has considerable expertise. Where the document mentions staff considerations, the reader should assume that staff refers to both Commission staff and Western staff, unless specifically mentioned otherwise.

The FSA/EA describes the following:

the existing environmental setting;

the proposed project;

whether the facilities can be constructed and operated safely and reliably in accordance with applicable laws, ordinances, regulations and standards (LORS);

the environmental consequences of the project including potential public health and safety impacts;

cumulative analysis of the potential impacts of the project, along with potential impacts from other existing and known planned developments;

mitigation measures proposed by the applicant, staff, interested agencies and intervenors that may lessen or eliminate potential impacts;

the proposed conditions under which the project should be constructed and operated, if it is certified;

project alternatives; and

requirements for project closure.

The analyses contained in this FSA/EA are based upon information from:

the Application for Certification (AFC);

subsequent submittals;

responses to data requests;

supplementary information from local and state agencies and interested individuals;

existing documents and publications; and

independent field studies and research.

The analyses for most technical areas include discussions of proposed conditions of certification. Each proposed condition of certification is followed by a proposed means of "verification." The verification is not part of the proposed condition, but is the Energy Commission Compliance Unit's method of ensuring post-certification compliance with adopted requirements. The FSA/EA presents conclusions and proposed conditions of certification that apply to the design, construction, operation and closure of the proposed facility.

The analyses contained in this FSA/EA were prepared in accordance with:
Public Resources Code sections 25500 et seq.;
the California Code of Regulations, title 20, section 12001 et seq.;
the California Environmental Quality Act (Pub. Resources Code, § 21000 et seq.) and its guidelines (Cal. Code Regs, tit. 14, § 15000 et seq.);
the National Environmental Policy Act (NEPA) (42 U.S.C. § 4371 et seq.) and its implementing regulations (40 C.F.R. § 1500 et seq.); and
the Department of Energy NEPA Implementing Procedures and Guidelines (10 C.F.R. § 1021).

ORGANIZATION OF THE STAFF ASSESSMENT

Following the Response to Public and Agency Comments and Project Description, this FSA/EA contains staff's environmental, engineering, and public health and safety analysis of the proposed project for 20 technical areas. Each technical area is included in a separate chapter as follows: air quality, public health, worker safety and fire protection, transmission line safety and nuisance, hazardous materials management, waste management, land use, traffic and transportation, noise, visible plumes, visual resources, cultural resources, socioeconomics, biological resources, soild and water resources, geology and paleontology, facility design, power plant reliability, power plant efficiency, and transmission system engineering. These chapters are followed by a discussion of facility closure and project construction and operation compliance monitoring plans, and a chapter containing an evaluation of project alternatives.

Each of the 20 technical area assessments includes a discussion of:

laws, ordinances, regulations and standards (LORS);

the regional and site-specific setting;

project specific and cumulative impacts;

mitigation measures;

closure requirements;

conclusions and recommendations; and

conditions of certification for both construction and operation (if applicable).

ENERGY COMMISSION SITING PROCESS

The California Energy Commission has the exclusive authority to certify the construction and operation of thermal electric power plants 50 megawatts (MW) or larger. The Energy Commission certification is in lieu of any permit required by state, regional, or local agencies, and federal agencies to the extent permitted by federal law (Pub. Resources Code, section 25500). The Energy Commission must review power plant AFCs to assess potential environmental impacts including potential impacts to public health and safety, potential measures to mitigate those impacts (Pub. Resources Code, section 25519), and compliance with applicable governmental laws or standards (Pub. Resources Code, section 25523 (d)).

The Energy Commission's siting regulations require staff to independently review the AFC and assess whether the list of environmental impacts contained is complete, and whether additional or more effective mitigation measures are necessary, feasible and available (Cal. Code Regs., tit. 20, §§ 1742 and 1742.5(a)). Staff's independent review shall be presented in a report (Cal. Code Regs., tit. 20 , § 1742.5).

In addition, staff must assess the completeness and adequacy of the health and safety standards, and the reliability of power plant operations (Cal. Code Regs., tit. 20, § 1743(b)). Staff is required to coordinate with other agencies to ensure that applicable laws, ordinances, regulations and standards are met (Cal. Code Regs., tit. 20, § 1744(b)).

Staff conducts its environmental analysis in accordance with the requirements of the California Environmental Quality Act. No Environmental Impact Report (EIR) is required because the Energy Commission's site certification program has been certified by the Resources Agency (Pub. Resources Code, § 21080.5 and Cal. Code Regs., tit. 14, § 15251 (k)). The Energy Commission acts in the role of the CEQA lead agency and is subject to all other portions of CEQA.

The staff typically prepares both a preliminary and final staff assessment. The Preliminary Staff Assessment (PSA) presents for the applicant, intervenors, agencies, other interested parties and members of the public, the staff's preliminary analysis, conclusions, and recommendations. Staff uses the PSA to resolve issues between the parties and to narrow the scope of adjudicated issues for the evidentiary hearings. During the period between publishing the PSA and the FSA, staff conducts one or more workshops in the project vicinity to discuss the preliminary findings, proposed mitigation, and proposed compliance monitoring requirements. Based on the workshops and written comments, staff refines the analysis, corrects any errors, and finalizes conditions of certification. Responses to written comments on the PSA are incorporated into the FSA. The FSA serves as staff's testimony on the applicant's proposal.

The staff's assessment is only one piece of evidence that will be considered by the Committee (two commissioners who have been assigned to this project) in reaching a

decision on whether or not to recommend that the full Energy Commission approve the proposed project. At the public hearings, all parties will be afforded an opportunity to present evidence and to rebut the testimony of other parties, thereby creating a hearing record on which a decision on the project can be based. The hearing before the Committee also allows all parties to argue their positions on disputed matters, if any, and it provides a forum for the Committee to receive comments from the public and other governmental agencies.

Following the hearings, the Committee's recommendation to the full Energy Commission on whether or not to approve the proposed project will be contained in a document entitled the Presiding Members' Proposed Decision (PMPD). Following publication, the PMPD is circulated for a minimum of 30 days in order to receive written public comments. At the conclusion of the comment period, the Committee may prepare a revised PMPD. A revised PMPD is required to undergo a 15-day comment period. At the close of the comment period for the revised PMPD, the PMPD is submitted to the full Energy Commission for a decision. Within 30 days of the Energy Commission decision, any party may request reconsideration of the decision by the Energy Commission.

A Compliance Monitoring Plan and General Conditions will be assembled from conditions contained in the FSA and other evidence presented at the hearings. The Compliance Monitoring Plan and General Conditions will be presented in the PMPD. The Energy Commission staff's implementation of the plan ensures that a certified facility is constructed, operated, and closed in compliance with the conditions adopted by the Energy Commission. Staff's proposed Compliance Monitoring Plan and General Conditions are included at the end of the FSA.

WESTERN ENVIRONMENTAL PROCESS

Western is a Federal power marketing agency under the U.S. Department of Energy that operates and maintains about 800 miles of high-voltage transmission lines and associated facilities in Northern California, including the Tracy Substation. Western's mission is to market power from federal hydroelectric plants such as those at Shasta and Folsom dams.

Federal law requires Western to provide entities, such as merchant power plants, open access to transmission services so that they can move power to load areas. Western provides these services through an interconnection if there is available capacity on the transmission line. Any entity requesting transmission services must abide by Western's Open Access Transmission Service Tariff and its General Requirements for Interconnection. (More information about these requirements is available on Western's web site at www.wapa.gov/interconn/intabout.) The developers of East Altamont have asked Western for an interconnection between the proposed power plant and Western's transmission system at the Tracy Substation. Western proposes to make modifications at its Tracy Substation to accommodate the interconnection.

Before Western can agree to the interconnection, it is bound by the National Environmental Policy Act to consider the project's potential environmental impacts.

This document serves as Western's Final EA, which serves to support a Western determination on whether or not to prepare an Environmental Impact Statement (EIS). For purposes of the NEPA process, Western will determine the significance of impacts in a separate determination issued after the Final EA. Western will consider the Final EA and subsequent public, agency and tribal comments on the Final EA in making this determination. If Western determines there are no significant impacts it will issue a Finding of No Significant Impact (FONSI). A preliminary version of the FONSI will be made available for public review for at least 30 days. Publishing a final FONSI will complete the assessment portion of the federal environmental process. If Western determines there are significant impacts, it will publish a notice of intent to prepare an EIS in the Federal Register and distribute copies to the project's mailing list. An EIS will then be developed using the results of the Final EA and other analyses, and issued for public comment. If an EIS is needed, Western will independently publish a final EIS and Record of Decision before completing the federal environmental process.

PUBLIC AND AGENCY COORDINATION

In preparing the FSA/EA, Energy Commission and Western staff conducted several publicly noticed joint workshops. These workshops served not only to allow discussion between staff and the applicant, but also to hear from intervenors, interested agencies, and members of the public. One of the public meetings was a NEPA scoping meeting held in Livermore, California on November 14, 2001. "Scoping" provides anyone who is interested the opportunity to identify any issues of concern, to inform Western and the Energy Commission about potential environmental impacts, offer suggestions to improve the proposal, and suggest alternative actions.

Staff also coordinated with relevant local, state and federal agencies, such as the California Independent System Operator, Bay Area Air Quality Management District, U.S. Fish and Wildlife Service, California Department of Fish and Game, and the Central Valley Regional Water Quality Control Board. Further, Western has consulted with the U.S. Fish and Wildlife Service and the Native American Heritage Commission, and will complete consultation with the State Historic Preservation Office under its obligations for the National Historic Preservation Act before issuing a FONSI or, if an EIS is required, a Record Of Decision. Western has met its obligations under the Endangered Species Act and will continue nation-to-nation consultations with interested Native Americans.

Written comments received from members of the public, and letters from agencies that require some form of response, have been included in this FSA/EA. The **Response to Comments** chapter of this FSA/EA contains an index of all comments received and a listing of where these comments are addressed.